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C O N F I D E N T I A L SECTION 01 OF 04 KABUL 001017

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DOD FOR USDP EDELMAN AND STATE A/S BOUCHER
STATE FOR SCA/FO A/S BOUCHER AND SAS GASTRIGHT, SCA/A,
S/CRS, SCA/PB, S/CT, EUR/RPM
STATE PASS TO USAID FOR AID/ANE, AID/DCHA/DG
NSC PASS TO AHARRIMAN
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SUBJECT: STRATEGIC PARTNERSHIP PLENARY LOOKS TO ENERGIZE
KABUL

REF: A. KABUL 805

[1](#)B. KABUL 804

[1](#)C. KABUL 692

Classified By: Ambassador Ronald Neumann for reasons 1.4 (B) and (D).

SUMMARY

[1](#)1. (C) The U.S. delegation led by Under Secretary of Defense Edelman and Assistant Secretary Boucher joined its Afghan counterpart for a Plenary Meeting in Kabul on March 13 to reaffirm the importance of the Afghan-U.S. Strategic Partnership. The Prosperity session focused attention on the looming electricity crisis in Kabul, which requires urgent attention and donor support. The Security session sketched out an Afghan vision for long-term Army development. The Governance session highlighted the central importance of a coordinated, Afghan-driven capacity building for Afghanistan's development, the need for more vigorous anti-corruption measures, and the urgency of ensuring long-term election system sustainability. The Counter-narcotics session pointed toward Helmand Province as the key to sustaining national momentum on poppy eradication. Bilateral meetings are reported Septel (ref A). END SUMMARY.

REAFFIRMATION OF THE STRATEGIC PARTNERSHIP

[1](#)2. (SBU) Under Secretary of Defense for Policy Eric Edelman and Assistant Secretary of State for South and Central Asian Affairs Richard Boucher led the U.S. delegation for the Strategic Partnership Plenary held in Kabul on March 13. Senior members of the delegation also included Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan Meghan O'Sullivan, NATO Ambassador Victoria Nuland, and Joint Staff Director for Strategic Plans and Policy LTG John Sattler. Minister of Defense Wardak chaired the meeting for the Afghan Government. The U.S. and Afghan delegations reviewed the outcomes of

working groups held earlier in the year (ref B), and discussed priorities in the areas of prosperity, security, governance, and counter-narcotics.

PROSPERITY: ELECTRICITY IS THE PRIORITY

13. (SBU) Co-chaired by Minister of Finance Ahadi and USAID Mission Director, the Prosperity discussion focused attention on the Afghan Government's request for assistance in addressing a looming electricity crisis in Kabul (ref C). Minister of Economy Shams made an urgent appeal for help in buttressing the Kabul power supply. Electricity is a core input for Afghanistan's development and the negative indicator most visible to the people. He described the North East Power Systems (NEPS) plan as a good strategic approach, but one built upon circumstances that are changing. Afghanistan's northern neighbors do not have sufficient production capacity, the transmission line is vulnerable to insecurity and weather, and the demand in Kabul is growing too fast to be fully satisfied. Shams formally asked for assistance to add 200 megawatts of additional generation capacity in Kabul. The first 100 megawatts are needed urgently, and the second 100 megawatts can be pursued through a private sector arrangement requiring a legal framework that will take considerable time. Minister Ahadi said the Afghan Government would shoulder its share of the burden in terms of both funding and policy reform.

14. (SBU) The session also touched on a number of other key economic issues. Minister Ahadi reported that the Government would meet its \$540 million revenue target, up 450 percent over five years. Ahadi and Shams said the government was

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making significant progress on budget execution, but lamented the "crowding out" effect of increased security costs. Afghan National Development Strategy (ANDS) Director Farhadi complimented USAID for aligning its programs with the interim Afghan National Development Strategy and called for additional steps to improve counter-narcotics. Central Bank Governor Delawari said he is taking positive steps to reduce illicit financing by forming partnerships with regional groups and setting up offices in secondary cities. Deputy Minister of Urban Development Latifi described the acute need for urban infrastructure and services support, including slum upgrading and low income housing finance, historic preservation, and traditional urban services. Deputy Public Works Minister Salik described an ambitious Road Master Plan for roads. Minister of Commerce and Industry Reza asked for U.S. support to negotiate a new Trade and Transit agreement with Pakistan. The Afghan Government plans to share a draft negotiating document during the as yet unscheduled Joint Economic Commission meetings. Reza asked for assistance in extending the computerization of border processes to additional crossings. The Afghan Government will soon consult with the parliament on World Trade Organization accession documents it has prepared.

15. (SBU) USAID, Treasury, and State participants expressed satisfaction with progress toward budget sustainability, and our interest in seeing continued improvement in border management, more effective non-salary personnel policies, and a simplified and transparent tax regime. Boucher complimented the Afghans for strong participation in the Delhi Regional Economic Cooperation Conference (RECC), and announcement that Pakistan will host the next regional conference on Afghanistan within the next year. Boucher also commended Afghanistan on its accession to South Asian Association for Regional Cooperation (SAARC) and repeated U.S. commitment to stand beside Afghanistan for the long-term.

SECURITY: A BOLD VISION FOR THE FUTURE

¶6. (C) Minister of Defense Wardak opened the security session by describing at length his vision for Afghanistan's Army, to be able to defend the nation and take on operations of mutual interest with the international community. He said that while there is a very good chance of success in Afghanistan, the possibility remains of Afghanistan becoming a failed state and reverting to a sanctuary for terrorists. Moreover, he noted that Afghanistan's partnership with the United States is not a treaty relationship and so there is not a full guarantee of security.

¶7. (C) Minister Wardak said the Afghan National Army should strive for the capability to conduct independent operations, with enough force for deterrence, or failing that, the ability to defeat any enemy. Minister Wardak argued that the present number of 70,000 army personnel toward which we are building is not based on a threat assessment and the actual need might be greater, perhaps as much as 210,000. He noted that Iraq, which has a smaller population than Afghanistan, has 220,000 soldiers and 300,000 police. The Minister said he was considering a core army of professional volunteers, but supplemented by compulsory forces to use as needed when NATO is not present in the long-term. He also identified a need for more mobility, enhanced fire power, and modern weaponry. He noted that the cost to the international community of meeting these needs, even for an army larger than 70,000 would be significantly less than the cost of international operations in Afghanistan. He concluded that a working group should examine Afghanistan's military requirements in greater detail.

¶8. (C) Deputy Minister of Interior Daud said that, due to

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American support, the increase in administrative capacity of the Afghan National Police last year has led to an effective launch of the poppy eradication campaign despite the security challenge. He listed future tasks for the police sector as fully implementing rank reform, deploying standby police units, increasing the size of the police force to 82,000 (subject to political approval), and eliminating administrative corruption. He requested an increased emphasis on proper equipment and training, particularly full-spectrum training for different levels of the police force.

¶9. (C) Edelman thanked the Afghan delegation for encouraging the U.S. to rethink its level of ambition in Afghanistan. He noted the increase in our level of effort already as seen by the recent Supplemental request and said our priority must be to concentrate on how best to utilize that money. He raised the U.S.-Afghan Defense Cooperation Forum as a good venue to continue the discussion of both short- and long-term security needs.

GOVERNANCE: CAPACITY, CORRUPTION, COMMUNICATIONS

¶10. (SBU) Boucher said that governance "is the glue that holds the security and prosperity pieces together." He highlighted the need for capacity building, both at the national and provincial level. However, corruption affects not only how the Government is viewed by the Afghan people, but also by international partners. Long-term success depends upon a comprehensive anti-corruption reform program, including prosecution, financial controls, and civil service reform. He congratulated the Afghan Government on the early success of the National Communications Coordination Center (NC3), and said the international community is working to link it with strategic communication efforts in Washington and NATO. The sustainability of elections, though two years away, is on everyone's mind, especially the need to reduce costs, Boucher commented.

¶11. (SBU) Minister of Justice Danish hoped the government would adopt an anti-corruption plan in one month, referring

to Supreme Court Chief Justice Azimi's draft plan now circulating within the Afghan Government. His ministry approved the UN Convention Against Corruption (UNCAC) two months ago, which is now before the parliament; the Afghan Government must next work to make its domestic laws compliant. He also said that fighting corruption is not just about prosecution, but also prevention, which will require a stronger monitoring role for media and civil society. Rahila Sediqqi from the Civil Service Commission said that capacity building should be at the center of the Afghanistan development program. Local level capacity building requires skill building, as well as an "enabling environment," including clearly defined roles and effective coordination between the central and local levels. The Commission is also working on pay and grading restructuring, but cautioned that the government's ability to pay retirement and other benefits could significantly constrain reform.

¶12. (SBU) Chief Electoral Officer Daoud Najafi said the Independent Electoral Commission (IEC) will submit a strategic plan to the Ministry of Finance. He emphasized the need for capacity building for its staff, most of whom did not work on previous elections, and the importance of a cost-effective plan for voter registration. Boucher replied that he hoped linking voter registration with the census projects could result in cost savings, as well as economizing on technologies. He said that the international community's level of concern with election sustainability will translate into support but that the Afghan Government must first present a strategy.

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COUNTER-NARCOTICS: FOCUS ON HELMAND

¶13. (C) Deputy Minister of Counter Narcotics Engineer Sami trumpeted some of the initial successes of his relatively new Ministry, including preparing Afghanistan's National Drug Control Strategy, establishing the Counter Narcotics Trust Fund, and developing the Poppy Elimination Program. Sami also pointed to the Ministry's inexperience to justify a long list of requests for additional U.S. assistance, such as financial support for implementing the National Strategy, increased funding for the Good Performers Initiative, and capacity building projects within the Ministry of Counter Narcotics and its provincial offices.

¶14. (C) Boucher focused the discussion on the central issue: how to reduce poppy production and narcotics trafficking. Boucher said that the U.S. is already providing extensive assistance, and said that success will require sustained effort and government determination, including by arresting and prosecuting large scale traffickers. Embassy Counter Narcotics Task Force Director said more needs to be done in Helmand province, which was responsible for 42 percent of Afghanistan's poppy cultivation last year. He said that the U.S. is already supporting all eight pillars of Afghanistan's National Drug Control Strategy even though we only commit to five of them. The Government should concentrate on reducing cultivation, arresting traffickers, and removing the corrupt officials who protect them -- most critically, in Helmand.

¶15. (C) Deputy Interior Minister for Counter Narcotics Mohammad Daud pointed to the more rapid pace of this year's poppy eradication campaign and the likelihood of more poppy-free provinces at the end of the year. He also requested greater U.S. assistance both to increase the size of the Afghan Eradication Force and to provide a greater balance between development (alternative livelihoods) and eradication. Embassy CN Task Force Director, pointing to research on cultivation patterns, refuted the claim, saying that the majority of Afghanistan's poppy farmers, especially in Helmand, grow the crop more out of greed than need. USAID Mission Director reminded the participants that the Alternative Livelihoods Program has invested \$350 million

over the previous three years and is planning to use increased funding to expand to more provinces.

COMMENT

¶16. (C) This second meeting of the U.S.-Afghanistan Strategic Partnership, while short on concrete progress on key issues, was highly symbolic for Afghans who were looking for a visible and public reaffirmation of the U.S. long-term commitment to the country. We believe we succeeded in delivering that message to both the Government and the Afghan people, as suggested by the widely-covered press conference. It is now up to the four individual Working Groups to push their agendas forward at the working level. Electricity for Kabul, a center-piece of the March 13 meeting, is a top priority.

¶17. (C) The U.S. Delegation cleared this cable.
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